



HOUSE BILL 1105: Coronavirus Relief Act 3.0, Sec. 1.6A: Increased Benefit Amount

2019-2020 General Assembly

Committee:
Introduced by:
Analysis of: Sec. 1.6A of S.L. 2020-97

Date: September 28, 2020
Prepared by: Cindy Avrette
Staff Attorney

OVERVIEW: *This provision allocates \$87 million of the federal CARES act funds to provide individuals receiving State unemployment assistance an increased benefit amount of \$50/week. The increased benefit amount is payable for weeks beginning on or after September 5, 2020. It expires immediately following the week that fully expends the \$87 million or the week beginning December 26th, whichever occurs first.*

This provision is effective when it was signed into law, September 4, 2020.

CURRENT LAW AND BILL ANALYSIS: Section 1.1(c) allocates \$87 million of the federal CARES act funds to the Department of Commerce, Division of Employment Security to be credited to the Unemployment Insurance Trust Fund to provide the increased benefit amount allowed under Section 1.6A of this act.¹ If the increased benefits paid exceed the allocated amount, then the difference is appropriated from the General Fund to the Unemployment Insurance Trust Fund. The intent of the General Assembly is to hold harmless the Unemployment Insurance Trust Fund for any increased benefits paid pursuant to this act.

Section 1.6A provides individuals receiving State unemployment assistance an increased benefit amount of \$50/week. The increased benefit amount is payable for weeks beginning on or after September 5, 2020. In a memo released by DES Assistant Secretary Pryor Gibson on September 25th, DES anticipates implementing the increased benefit amount program by October 30th. The payments will be made retroactively. The increased benefit amount program expires immediately following the week that fully expends the \$87 million or the week beginning December 26th, whichever occurs first.

There is a strong possibility that USDOL will follow suit and increase benefits for claimants in federally funded programs since those programs pay claimants the amount they would receive under the state's UI program.

EFFECTIVE DATE: This provision is effective when it was signed into law, September 4, 2020.

¹ Section 2.3, subdivision (75), of S.L. 2020-4 as amended by S.L. 2020-80 and S.L. 2020-97.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578